

Economic Development Committee

Minutes

September 13, 2004

<u>Present</u>	<u>Absent</u>	<u>Also Present</u>
G. Daley, Chair		Mayor Dominique S. Thornton
R. Santangelo		W. Warner, Director, PCD
J. Robinson		R. Kearney, EDS
S. Gionfriddo		
J. Bibisi		
Public: L McHugh, T. McKinney, K. Roberts, R. Jukonski		

- A Call to Order:** Robinson called the meeting to order at 5:36 PM.
- B Public Session**
- C Minutes:** Gionfriddo made a motion seconded by Santangelo to approve the minutes. The committee approved the motion. (Daley was not present)
- D Communications**
- 1) **Letter from KidCity:** General discussion of the letter and when and how much funds have been given to the project. Gionfriddo questioned whether city matching funds were a requirement of the DECD grant. Gionfriddo questioned whether the Common Council had approved a resolution for the city to contribute matching funds. Warner stated no. Daley stated this is the first time the city was made aware of December being the deadline for the end of the grant. Gionfriddo made a motion seconded by Bibisi to fund \$50,000 of the request this year and to budget the balance of the funds in the next fiscal year. The committee approved the motion.
- E Old Business**
- 1) **Middlesex YMCA Parking Lot:** General discussion ensued. The committee asked Warner to discuss with the City Attorney how the city would proceed.
 - 2) **350 Main Street:** General discussion ensued.
- F New Business**
- 1) **Industrial Park Road-high speed Internet:** Warner described the situation of there being no cable for high-speed internet access in the southern portion of Industrial Park Road. Warner described the efforts of the city and the chamber in seeking to get SBC to provide the service but SBC never came forward with a plan other than to provide expensive T1 service. Warner stated

that Comcast came forward and offered to survey the area to determine whether the company could find enough potential demand to invest in laying cable. Roberts presented a spreadsheet showing the project cost of \$121,000 and a proposed contribution of \$20,000 from the city. McHugh stated the small businesses need affordable high speed internet service and without the service property owners would be at a disadvantage. McHugh stated the area is an economic generator of taxes and jobs. Gionfriddo stated some of the installation fees were insignificant. Daley questioned why the city would subsidize service when a private person would have to pay for installation. Roberts stated the companies would still pay for installation and that the construction costs were what was required to bring the cable down the street. Cable would be laid along the west side of Industrial Park Road and then the hookups would be made to the buildings for fees negotiated on an individual basis. Gionfriddo questioned why the city would subsidize internet access for the companies listed. Daley cautioned that the city would be placed in a vulnerable position between Comcast and SBC by funding the proposal. Roberts stated Comcast finance department would review the proposal and then it would take one month to get the project approved with a completion at the end of the year. Daley questioned how much expense the customer would bear after Comcast spends \$98,000 on construction costs. Gionfriddo suggested a loan with no interest to be paid back over time. Daley suggested the cost be borne by the customer who would pay a certain percent. Gionfriddo questioned what about the companies not on the list or others that might come forward and ask for assistance. Roberts stated other companies would be handled on a case by case basis. Gionfriddo asked if Comcast would come back to the city at a latter date for more funding if other businesses made requests for access. Daley suggested a sliding scale and when the project broke even the \$20,000 be paid back to the city. Roberts stated Comcast needs 35 customers over a 3 year period. Daley suggested up to a \$1,000 grant for businesses that hook up to a maximum of \$20,000 in the total expenses. Mayor Thornton suggested up to \$1,000 grant for the first 20 businesses that hook up to the service. McHugh state SBC was given the first opportunity to participate but did not follow through. Gionfriddo made a motion seconded by Santangelo to offer businesses in the Industrial Park Road area up to a \$1,000 grant for hooking up to the Comcast Internet access with a maximum total of \$20,000 in grants. The committee approved the motion.

- 2) **Jukonski-Butternut & Thomas STS Property:** Jukonski described the request for purchasing of city property next to his business. Gionfriddo made a motion seconded by Santangelo to approve the sale of the parcel subject to a value to be determined by the City Tax Assessor. Warner described the parcel as zoned for public service. Daley questioned when the 8-24 would be review by P&Z. Warner stated the 2nd Wed of October and then to the Common Council in November.
- 3) **Jobs Loan-Stage Left-subordination request:** General discussion of the request. Gionfriddo made a motion seconded by Santangelo to approve the request for subordination of the JOBS Loan.

G Status Reports

- 1) **Economic Development Fund, monthly report**
- 2) **Economic Development Specialist Report**
- 3) **REINVEST Loan Program, monthly summary report**
- 4) **JOBS Loan Program, monthly summary report**

H Other

I Adjournment: There being no further business the committee adjourned at 6:28 PM.